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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
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COMPLETED
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SURPLUS AGRICULTURAL COMMODITIES DISPOSAL ACT OF 1982

SEPTEMBER 26, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. DE LA GARZA, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 6142]

[Including Congressional Budget Office cost estimate]

The Committee on Agriculture, to whom was referred the bill (H.R. 6142), to require the Commodity Credit Corporation to dispose of Government-owned stocks of agricultural commodities, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Surplus Agricultural Commodities Disposal Act of 1982".

SEC. 2. The Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"SEC. 423. (a) Notwithstanding any other provision of law, in order to prevent the accumulation of excessive stocks of agricultural commodities through the price support and stabilization operations of the Commodity Credit Corporation, the Corporation may provide, under terms and conditions established by the Secretary, for processing its accumulated stocks of agricultural commodities into liquid fuels and agricultural commodity byproducts and (1) for making such liquid fuels available by the Corporation to Federal agencies either to help meet the needs of such agencies for transportation and industrial fuels or to be stored for emergency uses, or (2) for the sale of such liquid fuels by the Corporation in commercial markets. The liquid fuels shall be made available to Federal agencies or sold at a price as determined appropriate by the Secretary, notwithstanding any price restrictions that may be contained in other provisions of law, and in a manner that does not disrupt the prices in commercial markets of liquid fuels derived from agricultural commodities.

"(b) In determining the feasibility of providing for the processing of Commodity Credit Corporation stocks of commodities under subsection (a), the Secretary shall consider the nature of the commodities and the acquisition, transportation, handling, storage, interest, and other costs associated with acquiring and maintaining such stocks, including the effect of such stocks in depressing

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commodity prices, as well as the value and utility of such stocks when processed into liquid fuels and agricultural commodity byproducts.

"(c) Not later than one hundred and twenty days after the date of enactment of this section, and annually thereafter, the Secretary shall report to the Congress with respect to the operation of this section, including any recommendations for legislative changes the Secretary finds necessary with respect to the authority provided in this section.".

And amend the title to read as follows:

A bill to authorize the Commodity Credit Corporation to process its accumulated stocks of agricultural commodities into liquid fuels and agricultural commodity byproducts, and for the disposition thereof and for other purposes.

Purpose and Need for the Legislation

H.R. 6142 provides an impetus for the disposition of surplus stocks of agricultural commodities owned by the Commodity Credit Corporation in the form of alcohol fuels. It provides specific authority for the processing of Commodity Credit Corporation owned stocks of agricultural commodities into alcohol fuels and for the disposition of such products to Federal agencies either to help them meet their immediate needs for transportation and industrial fuels or for storage for later emergency fuel uses. In addition, the Corporation is given authority to sell liquid fuels in commercial markets. The liquid fuels would be made available at a price as determined appropriate by the Secretary, notwithstanding any price restrictions that may be contained in other provisions of law, and in a manner that does not disrupt prices in commercial markets of liquid fuels derived from agricultural commodities.

Prospects for record grain production and carryover levels, increasing acquisitions of grain under the price support activities of the Commodity Credit Corporation, a reversal in the long series of year-to-year increases in U.S. farm exports, and the failure of the U.S. to attain adequate self-sufficiency in the production of liquid fuels, confirm the need for directing a significant portion of U.S. agricultural production toward fostering the continued growth of the young domestic alcohol fuels industry.

Recent projections by the U.S. Department of Agriculture forecast a record production in the United States of major farm commodities, including corn (8.32 billion bushels), wheat (2.82 billion bushels), and soybeans (2.31 billion bushels). The 1982-1983 season carryover estimated for corn alone is a record 2.8 billion bushels, which far surpasses historical levels. This anticipated production has pressured farm prices to severely depressed levels and sharply increased expected outlays for farm price support programs. Current price quotations in local markets for 1982 crops of wheat, corn and soybeans are well below $3.50, $2.00, and $5.00 per bushel, respectively. Recently, the estimate of projected Commodity Credit Corporation outlays for its price support activities for fiscal year 1982 was doubled to about $12.75 billion and outlays for fiscal year 1983 were estimated at over $12 billion.

The expected record crops threaten to tax the grain handling and storage system as never before. New storage facilities are being constructed at a rapid pace, and the Federal Government is approving for commercial storage, facilities that were once considered substandard and inadequate to maintain grain in proper condition.

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Not only are private stocks of grain held on the farm and in commercial elevators accumulating to record levels, government stocks of farm commodities are also building rapidly as producers forfeit to the Commodity Credit Corporation grain used to secure government price support loans. By the end of the 1982–1983 marketing year, USDA projects that CCC-owned stocks of corn will increase by at least 150 million bushels to nearly 400 million bushels.

The first-year cost to CCC of assuming ownership of a bushel of corn is estimated to be at least 50 cents per bushel. In addition, CCC is likely to own this grain, at substantial additional cost, for some time given current restrictions on its authority to dispose of its stocks in commercial markets and the prospects for continued depressed farm prices.

One of the primary reasons that agriculture finds itself in a depressed state is the deterioration in the farm export outlook. The burden of record agricultural surpluses has been compounded by this reduction in the value of U.S. farm exports—the first such reduction since 1969. Export sales are estimated to decline 8 percent or $3.3 billion to $40.5 billion in the fiscal year just ending. In addition, certain commodities are experiencing a reduction in export volume, as well as value; corn export shipments, for example, are at a five-year low.

The dismal economic situation for producers of U.S. grain commodities points to the need for developing additional domestic outlets. The development of an established alcohol fuels industry offers the potential for creating substantial new domestic demand for grain, a goal which, if realized, could lead to strong and stable prices for American producers.

A mature alcohol fuels industry could also serve as a model for current efforts to promote the "value added" production and export of U.S. goods. For example, alcohol producers using the "wet milling" process can obtain, from one 56-pound bushel of corn, 2.5 gallons of anhydrous ethanol, 1.7 pounds of corn oil, 3 pounds of corn gluten meal (a 60 percent protein product), 14.5 pounds of corn gluten feed (a 21 percent protein additive), and 15 pounds of high-grade carbon dioxide.

Finally, contrary to the current widely-held perception, sales of gasoline/alcohol blend fuels have not declined in the face of the current oil glut and period of moderate gasoline prices. As demonstrated in the tables below, alcohol blend fuels—commonly marketed today as "super unleaded with ethanol" or "unleaded plus" rather than "Gasohol"—are attaining a steadily increasing share of the motor fuel market nationally and in the key alcohol fuel consuming States.

Nevertheless, the need for the U.S. to become significantly more self-reliant in the production of liquid fuels remains urgent, despite substantial gains made in reducing petroleum imports and the overall level of energy consumption in the U.S. Alcohol fuels, from renewable resources such as grain and crop residues, wood and wood residues, and wastes, can be produced in a decentralized fashion and serve as a fuel extender or important octane enhancing additive for gasoline. Such an effort could lead, as outlined, to expanded domestic markets for U.S. grain, to lower government farm program outlays, to increased employment and national income, and to improved U.S. energy security.

The Committee notes that Executive Order 12261, signed by President Carter on January 6, 1981, continues to provide a framework under which the Federal Government may purchase and use ethanol blend fuels in its vehicles. The Executive Order states that, whenever feasible, Federal agencies, shall, in procuring unleaded gasoline motor fuel, demonstrate a "preference for the purchase of gasohol." The Order further provides that "the Secretary of Defense with respect to gasohol use by the Department of Defense, and the Administrator of General Services with respect to gasohol use by other agencies, shall issue such guidelines for the implementation of this Order as they deem appropriate." The Committee urges the Secretary of Agriculture to use the mandate provided in Executive Order 12261 to facilitate the exercise of the authority granted in H.R. 6142 in making available to Federal agencies the liquid fuels processed from stocks of Commodity Credit Corporation.

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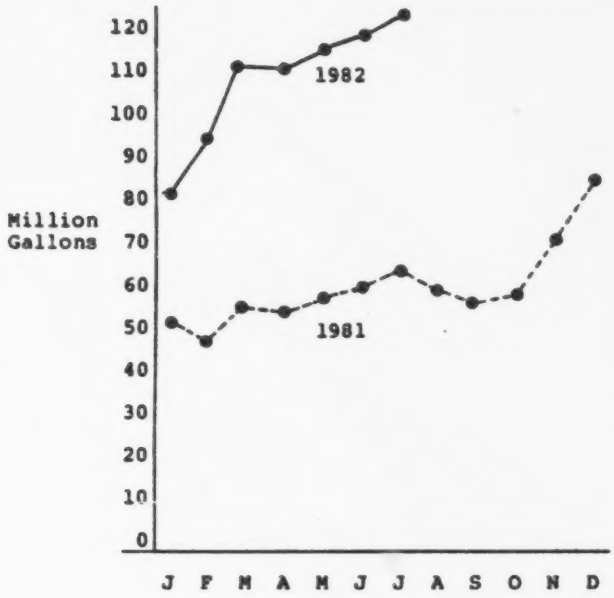
TABLES

U.S. GASOHOL SALES IN 1981 & 1982



	1982
Jan	80,747,000
Feb	94,129,000
Mar	110,515,000
Apr	110,030,000
May	113,250,000*
Jun	118,000,000*
Jul	121,000,000*

	1981
Jan	50,705,000
Feb	47,870,000
Mar	55,795,000
Apr	54,417,000
May	56,952,000
Jun	59,290,000
Jul	62,615,000
Aug	57,820,000
Sep	55,123,000
Oct	56,651,000
Nov	70,029,000
Dec	86,021,000
Total	713,288,000

Information derived from sales recorded by the Federal Highway Admin.

1982 STATE GASOHOL CONSUMPTION LEADERS (through June)

	State	Volume gallons)	% Change 1981
1.	Iowa	235,700,000	+ 196
2.	California	166,350,000	+ 308
3.	Illinois	55,750,000	+ 52
4.	Michigan	52,300,000	+ 96
5.	Florida	45,200,000	+ 44
6.	Oklahoma	35,800,000	+ 67
7.	Nebraska	27,200,000	+ 88
8.	Virginia	12,400,000	+1250
9.	Ohio	10,500,000	+ 276
10.	South Carolina	10,450,000	+ 76

Information derived from Information Resources, Inc.

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Section-by-Section Analysis

Section 1. This section provides as the short title of the bill the "Surplus Agricultural Commodities Disposal Act of 1982".

Section 2. This section amends the Agricultural Act of 1949 to add a new section 423.

Subsection (a) of that section provides that in order to prevent the accumulation of excessive stocks of agricultural commodities through the price support operations of the Commodity Credit Corporation, the Corporation may provide, under terms and conditions established by the Secretary, for processing its accumulated stocks of agricultural commodities into liquid fuels and agricultural commodity byproducts and for disposing of the products and byproducts that result from the processing operations. The Secretary is required to establish terms and conditions (1) for making the liquid fuels processed from the agricultural commodities available by the Corporation to Federal agencies either to help meet the needs of such agencies for transportation and industrial fuels or to be stored for emergency uses or (2) for the sale of the liquid fuels by the Corporation in commercial markets. The liquid fuels would be made available to Federal agencies or sold at a price as determined appropriate by the Secretary, notwithstanding any price restrictions that may be contained in other provisions of law (such as the price restrictions contained in sections 110(f) and 407 of the Agricultural Act of 1949), and in a manner that does not disrupt the prices in commercial markets of liquid fuels derived from agricultural commodities.

Subsection (b) of the new section provides that in determining feasibility of providing for the processing of CCC's stocks of commodities, the Secretary must consider the nature of the commodities and the acquisition, transportation, handling, storage, interest, and other costs associated with acquiring and maintaining such stocks, including the effect of such stocks in depressing commodity prices, as well as the value and utility of such stocks when processed into liquid fuels and agricultural commodity byproducts.

Subsection (c) of the amended section requires that not later than one hundred and twenty days after the date of enactment of the bill, and annually thereafter, the Secretary must report to the Congress with respect to the operation of this section, including any recommendations for legislative changes the Secretary finds necessary.

Committee Consideration

A. HEARINGS

H.R. 6142 was the subject of a hearing held by the House Agriculture Subcommittee on Wheat, Soybeans, and Feed Grains on September 15, 1982. At that time the Subcommittee heard testimony from: Senator Charles Percy (Illinois); Assistant Secretary for Economics, USDA, William G. Lesher; Frederick L. Potter, President, Information Resources, Inc.; and David Hallberg, President, Renewable Fuels Association. In addition, testimony was submitted for the record by

Admiral Thomas H. Moorer, USN, Senior Advisor to the Georgetown Center for Strategic and International Studies.

Senator Percy strongly supported H.R. 6142 on the grounds that it would reduce grain carryover stocks held by the government. He said this action would reduce government costs while at the same time strengthen producer prices by providing additional demand. Further, it would provide the United States with a domestically-produced and environmentally-sound source of energy. Senator Percy indicated that he supported the changes in H.R. 6142 as recommended by the Administration.

Secretary Lesher testified that the USDA has initiated an alcohol fuels pilot demonstration project to obtain information as to whether USDA could economically utilize CCC-owned stocks of corn that were going out of condition for the manufacture of alcohol. Secretary Lesher reported that approximately 2 million bushels of out of condition CCC corn had been contracted to nine alcohol processors in six States to determine the feasibility of an expanded program for the conversion of CCC-owned grain into alcohol. He concluded his review of the pilot program by adding that the USDA was confident that the evidence being gathered would demonstrate the economic feasibility of the conversion of the out of condition grain to alcohol.

Secretary Lesher testified that the Administration would support H.R. 6142 if two changes were made in the bill. First, the Administration asked that CCC-owned grain used for alcohol conversion be limited to that grain which is deteriorating or going out of condition. Presently the CCC has some 32 million bushels of corn that has been classified as going out of condition. The second change sought by the Administration is for authority to market the alcohol produced for other uses, including sale into the commercial market, if the Federal Government cannot utilize, including storage for emergency use, all of the alcohol produced.

Mr. Potter presented testimony in which he reviewed the growth of the fuel ethanol industry, the industry's capabilities, the need for the establishment of a Strategic Alcohol Fuel Reserve, plus the potential for developing new alcohol fuel production capacity in the future.

Mr. Hallberg in his testimony reviewed the need for H.R. 6142 citing that the fuel ethanol industry is a perfect example of a "value-added" processing industry which would expand the marketing flexibility for agricultural crops, while at the same time provide a valuable liquid fuel capable of displacing costly foreign oil. In addition, Mr. Hallberg urged that surplus commodities should be converted to alcohol so that a Strategic Alcohol Fuel Reserve could be created. He estimated that if surplus grain stock were converted to alcohol and stored in the Strategic Alcohol Fuel Reserve, farm program costs could be reduced by as much as $400 million.

Admiral Moorer's written statement provided for the hearing record urged that Congress take action authorizing the conversion of Commodity Credit Corporation held corn into alcohol as well as establishing a Strategic Alcohol Fuel Reserve. He also urged that existing tax incentives be continued in the interest of developing a dependable alcohol fuels program.

B. SUBCOMMITTEE MARKUP

Immediately after the hearing the Subcommittee began markup, Mr. Bedell offered an amendment in the nature of a substitute that contained a few technical changes.

The changes in the legislation were designed to accommodate the concerns of the Administration. First, it made the processing of the commodities into alcohol fuels discretionary rather than mandatory, thereby giving the Administration flexibility to limit the processing to commodities which are deteriorating or otherwise going out of condition. In addition, it provided the Secretary with authority to dispose of the alcohol fuels into commercial markets under conditions that would not disrupt commercial sales so that the Secretary could have this authority available in addition to the authority to make the alcohol fuel available to other government agencies.

Mr. Bedell followed with an amendment to the substitute that made clear the Secretary would have authority to sell the alcohol that resulted from the processing operation at such price as the Secretary deems appropriate, notwithstanding any price that may be contained in other provisions of law. The Subcommittee agreed to the amendment by a unanimous voice vote and then agreed by voice vote that the substitute, as amended, should be reported to the full Committee with a recommendation that it do pass.

FULL COMMITTEE MARKUP

The full Committee met for markup on H.R. 6142 and other miscellaneous bills on September 23, 1982, Mr. Bedell, sponsor of the legislation, provided a brief explanation of the bill and was supported in discussion by Mr. Findley. The bill was then ordered reported by voice vote in the presence of a quorum with a recommendation that it do pass.

ADMINISTRATION POSITION

The following testimony was on the bill as originally introduced. The amendments to the bill were in response to the comments of the Administration.

TESTIMONY OF WILLIAM G. LESHER, ASSISTANT SECRETARY OF ECONOMICS, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Subcommittee, it is a pleasure to be here today to discuss with you the Administration's position on H.R. 6142.

In general, this bill would require the Commodity Credit Corporation (CCC) to dispose of Government-owned stocks of agricultural commodities (primarily corn) by contracting to convert these excess stocks of grain into liquid fuels (primarily fuel ethanol) and to make these fuels available for federal transportation and industrial fuels needs. The Administration supports the objectives of H.R. 6142—to reduce excessive commodity stocks, to enhance grain prices, and to develop a cost-effective domestic source of liquid fuels—and supports the passage of this legislation with one change. The

one change involves restricting the use of CCC-owned grain for fuel production purposes to that going out of condition. In addition, a clarification is needed concerning the uses to which the alcohol produced could be put.

Restriction to Off-Grade Corn

If a Farmer-Held Grain Reserve Program is in effect for grain, section 110 of the Agriculture Act of 1949 permits the disposition of CCC-owned grain at less than the statutory minimum sales price if the grain has substantially deteriorated in quality or is in danger of loss or waste through deterioration or spoilage. Currently, CCC is operating a demonstration program to convert 2 to 4 million bushels of corn into fuel ethanol over a two year period using off-grade corn. The first year of this demonstration project is well under way with 2 million bushels of corn contracted to nine fuel alcohol processors in six states. From the results of the demonstration project, the Department will have the data necessary to determine the feasibility of an expanded program for the conversion of CCC-owned grain into alcohol.

Specifically, the demonstration project is designed to determine the:

(1) net cash returns to CCC per bushel of corn which is deteriorating or in danger of deterioration by conversion of such corn into fuel alcohol;

(2) total energy requirements to produce fuel alcohol;

(3) feasibility of long-term storage of fuel alcohol in an anhydrous, or waterfree, state;

(4) utilization of the byproducts of the alcohol conversion process;

(5) nature and potential of the fuel alcohol market;

(6) yields of alcohol obtainable from various qualities of corn; and

(7) efficiency of the industry by comparing cost and production statistics of the nine contractors.

Therefore, the Administration presently believes that an amendment to H.R. 6142 is needed to limit its application to corn that is going out of condition (Grades 4, 5, and Sample Grade) and await the results of the demonstration project. Since current law permits the sale of CCC-owned corn which is deteriorating at less than 110 percent of grain reserve the per bushel trigger release level ($3.15 per bushel), we feel that H.R. 6142 should be amended to limit its application to deteriorating corn in order to be consistent with our present authority to dispose of off-grade corn.

The potential amount of alcohol produced from deteriorating corn is significant. The CCC currently has in storage approximately 260 million bushels of corn, of which 44.3 million is committed by law to a strategic reserve for use in a disaster Of the remaining 216 million bushels, about 32 million have been classified as out of condition. These 32 million bushels would yield approximately 80 million gallons of fuel ethanol which could be used as a gasoline extender or octane enhancer.

CLARIFICATION OF THE USES OF THE ALCOHOL PRODUCED

A clarification is needed relating to the requirement that the fuel produced "shall be made available to help meet the needs of the Federal Government for transportation and industrial fuel." While at first glance it would appear that all the alcohol produced could be used by the Federal government, there are certain reasons why this may not be accurate. Thus, a clarification is needed to insure that the alcohol could be marketed for other uses if the Federal government could not utilize, including storage, all of the alcohol produced.

There are certain regulations and practical considerations which could prevent the Federal government from fully utilizing the alcohol produced. The use of alcohol as a fuel in the Federal fleet is contingent on the cost of the gasoline alcohol blend relative to that of unleaded gasoline. Executive Order 12261 states that there shall be a preference for gasohol when its price is equal to or less than that of regular unleaded gasoline. Therefore, the acquisition price of unleaded gasoline for the Federal fleet is the maximum value at which 90–10 gasoline-alcohol blends can be priced. Acquisition prices for unleaded gasoline will vary widely depending on geographic location, volume purchased, and mode of transportation. However, discussion with the General Services Administration indicates that gasoline-alcohol blends could be expected to exceed unleaded gasoline prices in some instances or areas.

The Federal market for alcohol as a transportation fuel may be limited further by the lack of blending facilities in certain regions and by specific regulatory prohibitions, such as the Department of Defense's prohibition on the use of alcohol-gasoline fuel blends in certain multi-fuel engine trucks.

We also have examined the potential for the use of ethanol as an industrial fuel by the Federal government. In 1981, the Federal government used 832.4 trillion Btu of energy in Federal buildings. About 57 percent was electricity, most of which was purchased from utilities and thus could not be displaced with ethanol produced from CCC grain stocks. The total cost for the energy consumed was approximately $4.2 billion, or an average cost of $4.95 per million Btu. The cost per million Btu of alcohol is $11.86, almost 2½ times as expensive as conventional fuels, when alcohol is valued at $1 only per gallon.

In addition to the high direct cost, the use of ethanol to displace some of the energy used in Federal buildings would require major modification, retrofitting, or replacement of existing equipment, the cost of which is unknown. Technically, alcohol could substitute for most of the current energy use except electricity. This substitution would increase the Federal fuel bill by about $2.5 billion or 60 percent. Therefore, due to the high cost involved, we do not believe that ethanol could penetrate the Federal industrial fuel market.

For these reasons, we recommend that the bill be restricted to grain which is going out of condition. A clarification also is needed concerning the uses to which the alcohol produced could be put.

As discussed, we have initiated a CCC alcohol fuels demonstration project from which we hope to obtain information that will enable us to economically utilize CCC stocks of corn.

Thank you for the opportunity to present this statement. I will be happy to respond to your questions.

Budget Act Compliance (Section 308 and Section 403)

The provisions of clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority or new or increased tax expenditures) are not considered applicable. The estimate and comparison prepared by the Director of the Congressional Budget Office under clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., September 24, 1982.

Hon. E de la Garza,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 6142, the Surplus Agricultural Commodities Disposal Act of 1982, as ordered reported by the House Committee on Agriculture, September 23, 1982.

This bill authorizes the Commodity Credit Corporation (CCC) to process its accumulated stocks of agricultural commodities into liquid fuels and agricultural commodity byproducts and distribute them within the federal government or into commercial markets. The CCC is already processing some stocks into liquid fuels, and in view of the discretionary nature of the authority in the bill, no additional conversion of surplus commodities is anticipated to occur if this bill is enacted. Therefore, it is expected that no significant cost to the government would be incurred as a result of enactment of this bill.

Sincerely,

Alice M. Rivlin, *Director.*

Inflationary Impact Statement

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of H.R. 6142, as amended, will have no inflationary impact on the national economy.

Oversight Statement

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 6142, as amended.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of rule X of the Rules of the House of Representatives.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

Agricultural Act of 1949

* * * * * * *

Sec. 423. (a) Notwithstanding any other provision of law, in order to prevent the accumulation of excessive stocks of agricultural commodities through the price support and stabilization operations of the Commodity Credit Corporation, the Corporation may provide, under terms and conditions established by the Secretary, for processing its accumulated stocks of agricultural commodities into liquid fuels and agricultural commodity byproducts and (1) for making such liquid fuels available by the Corporation to Federal agencies either to help meet the needs of such agencies for transportation and industrial fuels or to be stored for emergency uses, or (2) for the sale of such liquid fuels by the Corporation in commercial markets. The liquid fuels shall be made available to Federal agencies or sold at a price as determined appropriate by the Secretary, notwithstanding any price restrictions that may be contained in other provisions of law, and in a manner that does not disrupt the prices in commercial markets of liquid fuels derived from agricultural commodities.

(b) In determining the feasibility of providing for the processing of Commodity Credit Corporation stocks of commodities under subsection (a), the Secretary shall consider the nature of the commodities and the acquisition, transportation, handling, storage, interest, and other costs associated with acquiring and maintaining such stocks, including the effect of such stocks in depressing commodity prices, as well as the value and utility of such stocks when processed into liquid fuels and agricultural commodity byproducts.

(c) Not later than one hundred and twenty days after the date of enactment of this section, and annually thereafter, the Secretary shall report to the Congress with respect to the operation of this section, including any recommendations for legislative changes the Secretary finds necessary with respect to the authority provided in this section.

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